

MONTEREY COUNTY

REDEVELOPMENT AND HOUSING DIVISION

168 West Alisal Street, 3rd Floor, Salinas, CA 93901
(831) 755-5390 • Fax: (831) 755-5398



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DIV. OF HOUSING
POLICY DEVELOPMENT HCD

To: Cathy Creswell, Deputy Director
California Department of Housing
and Community Development
1600 Third Street, Suite 430
Sacramento, CA 94252-2053

From: Marti Noel, Senior Administrative Analyst
CC: Jim Cook, Director
Monterey County Housing and Redevelopment Office

SUBJECT: 2005 ANNUAL HOUSING ELEMENT IMPLEMENTATION REPORT

Dear Ms. Creswell:

We are pleased to submit our 2005 Annual Housing Element Implementation Report, pursuant to Government Code Section 65400. On November 4, 2003 the Monterey County Board of Supervisors adopted a new Housing Element, which covers a planning period of 2002 to 2008. In January 2004, the Department of Housing and Community Development determined that the County's Housing Element was in compliance with State law.

The attached 2005 Annual Implementation Report generally covers activities undertaken related to the Housing Element Implementation Programs from October of 2004 through September of 2005. The report has been provided to the Monterey County Board of Supervisors, appropriate County departments and to the Monterey County Housing Advisory Committee.

Please feel free to contact me if you have any questions.

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Annual Implementation Report

Housing Element

County of Monterey

2005

Introduction

The County of Monterey's Housing Element was adopted by the Board of Supervisors on November 4, 2003. The Housing Element includes information on the housing stock and households in Monterey County as well as additional information regarding constraints to providing housing (both governmental and market constraints), inventories of land availability and housing programs and goals for the planning period of 2002 to June 30, 2008. The draft and final Housing Element underwent extensive public review prior to its adoption by the Board of Supervisors.

The State of California, Department of Housing and Community Development, reviews Housing Elements in order to determine their compliance with State Housing Element Law (Article 10.6 of the Government Code). In January 2004, the Department determined that the County's 2002-2008 Housing Element was in compliance with State law.

The purpose of this report is to provide an overview of the progress to date in regard to implementation of the programs and goals of the 2002-2008 Housing Element. The period covered is from October 1, 2004 to October 1, 2005. The chart on the following pages identifies the 35 housing implementation programs as described on pages 129-152 of the County's 2002-2008 Housing Element. Some of the 35 programs included quantified objectives while others have general descriptive objectives. The information in the chart includes the actions achieved to date for each program and specifies quantified objectives where appropriate.

Summary

As depicted in the attachment, during the past year the County of Monterey has undertaken a number of activities related to meeting the objectives contained in the Housing Element adopted in late 2003. Of particular importance, draft community plans have been completed for the communities of Boronda and Castroville and an Environmental Impact Report (EIR) is nearing completion for the Castroville Community Plan. Specific plans and associated EIRs have been completed for Rancho San Juan and East Garrison (Fort Ord), both of which are currently being considered for approval. These plans are comprehensive documents that provide a framework for the future development in these community areas. The implementation of these plans will include amendments to the General Plan and Zoning Ordinances resulting in a significant increase in land area available for higher density, well planned housing.

Other activities that have been undertaken that are of particular importance to meeting the Housing Element objectives, include a significant effort in the implementation of County's Housing Rehabilitation Program and continuation of the First Time Homebuyer Program. During the past year the County has obtained over \$1.8 million in funding for the Rehabilitation Program and \$450,000 for the First Time Homebuyer Program. A program team has been formed comprised of staff and consultants to work effectively with the applicants.

The County has also prepared a draft Affordable Housing Incentive Program that is directed at encouraging both private sector and non-profit developers to create, mixed income housing projects that efficiently use land resources and provide a range of housing opportunities affordable to the residents and workers of the County. This program combines a variety of incentives that were "tested" using several pilot projects to ensure that the program is effective in the "real world" of housing development. The program is due to be adopted in January 2006. One of the pilot projects is a 171-unit development east of the City of Salinas. The project is being developed by a for-profit developer and will consist of 48 rental apartments affordable to very low, low and moderate-income households and 123 for sale single-family homes affordable to moderate and workforce level households. The County is providing fee waivers, modifications to development standards, and entitlement processing assistance as incentives. The project will be considered for approval in early 2006.

The County is directly assisting several affordable housing projects. South County Housing Corporation has completed a project in the community of Boronda that includes 23 affordable single family units, 11 of which are self-help units for low income families and 15 multi-family rental units, 14 of which are for very-low income farmworker families. South County Housing is also under construction on a project to replace 64 extremely substandard units in Pajaro with new affordable apartments. The project has been designed to accommodate the existing tenants that include many large families. The rents will be affordable to very-low and low-income households and the project includes a community building and play area. The project has included the relocation of 19 of the

families to a “swing” housing relocation project that the County and South County Housing constructed on Redevelopment-owned property also in Pajaro. After the completion of the Salinas Road project at the end of 2006, the 19 swing housing units will be used for other relocation activities, some of which will be directed at code enforcement actions that require relocation of the tenants. The County has provided significant funding and permit processing assistance for all these projects.

The County has provided funding and other assistance to re-build the water system in the rural community of San Lucas and construction is nearly complete. The County has subsequently obtained funding and is facilitating the expansion of the sewer system. Both infrastructure projects will allow additional affordable housing to be constructed in the community. CHISPA, a non-profit housing developer, is planning to initially construct a 34-unit affordable housing project in the community for which the County is providing entitlement assistance. A significant number of the units will be self-help units affordable to low and moderate-income families. Construction is scheduled to begin in 2006.

During 2005, the County has been assisting the Housing Authority of Monterey County with the planned rehabilitation of the Rippling River housing facility located in Carmel Valley. The facility currently consists of 79 affordable rental units for elderly and disabled tenants. The rehabilitation will include repairs to the structures, replacement of windows, upgrades to the heating and water systems, and improvements to the site. The County is providing funding and staff assistance. The rehabilitation work is scheduled to commence in 2006.

The County is currently assisting Mid-Peninsula Housing Coalition, a non-profit housing developer, with a proposed high-density rental project located on Merritt Street in the Community of Castroville. The project will consist of approximately 50 affordable rental units in a three-story complex on an in-fill parcel in downtown Castroville. The project may include on-site amenities such as a community meeting room, homework center, and/or day care center. The County is providing funding assistance for site acquisition and pre-development activities, in addition to providing entitlement assistance.

In 2005 the County provided funding to assist a consortium of non-profit social service providers and affordable housing developers to prepare a study on housing for people with disabilities, identifying housing needs specific to Monterey County and best practices for developing housing for this special needs group. The report is currently under preparation.

Housing Element Implementation Report
County of Monterey
October 1, 2004

HOUSING PROGRAM NUMBER	HOUSING PROGRAM NAME	TIME FRAME	OBJECTIVES	OBJECTIVES ACHIEVED 2004-2005
				GOAL H: HOUSING WITHIN EXISTING RESIDENTIAL AREAS
H-1.a	Housing Rehabilitation Program	Late 2003: 2003-2008	Update County's website and develop written marketing materials 20 Units Rehabilitated Annually	Completed
H-1.b	Housing Condition Survey	2003-2004	Complete survey	Not completed
H-1.c	Replacement Housing	2002-2005	Replacement Housing Plans completed and construction initiated for Rippling River and Salinas Road	South County Housing Corporation is currently constructing a project on Salinas Road in Pajaro which will replace 64 extremely substandard units with new affordable rental apartments. The project is scheduled to be completed in late 2006.

HOUSING PROGRAM NUMBER	Housing Program Name	TIME FRAME	RESIDENTIAL AREAS	OBJECTIVES	OBJECTIVES ACHIEVED 2004-2005
Code H-1.d	Mobile Home Park Preservation	2002-2008	3,342 existing mobile homes preserved (year 2000 data)	New data from the State Department of Finance indicates that in 2000 there were 2,866 mobile homes existing in the unincorporated area. As of Jan 1, 2004 there were 2,991 mobile homes in the unincorporated area, a gain of 125 units.	The County has also provided funding to the Housing Authority of Monterey County to evaluate potential strategies to assist the existing homeowners in a 200-unit mobile home park who have been subject to significant space rental rates.
H-1.f	Code Enforcement	2002-2008	Enforce code enforcement standards	In 2005, the Housing and Redevelopment Office and South County Housing Corporation constructed a 19-unit relocation housing project in Pajaro which is currently being used to provide relocation housing for the Salinas Road project. After the Salinas Road project is completed, the units will be available for relocation housing to facilitate the rehabilitation of existing affordable housing and for code enforcement activities.	New housing projects are reviewed by the County to encourage energy conservation components.
H-1.g	Energy Conservation	2002-2008	Continue energy conservation efforts		

HOUSING PROGRAM NUMBER	HOUSING PROGRAM NAME	TIME FRAME	OBJECTIVES	OBJECTIVES ACHIEVED 2004-2005
Goal H-2 JOBS/HOUSING BALANCE				
H-2.a	Infrastructure and Land Availability	2002-2008	Develop infrastructure plans and requirements for Community/Specific areas	The community plans for Boronda and Castroville are completed and environmental review is underway. The specific plans and environmental review for Rancho San Juan and East Garrison are also completed. All these planning documents include detailed infrastructure plans.
H-2.b	Monitoring of Land Availability	2002-2008	Monitor land available for residential development	The County is continuing to monitor and will update inventory lists as community plans/specific plans are adopted.
Goal H-3 NEW HOUSING WITHIN COMMUNITY AREAS AND AFFORDABLE HOUSING OVERDAYS				
H-3.a	Community/Specific Plans	2002-2004	Complete Community Plans for Fort Ord, Rancho San Juan, Castroville, Boronda and Pajaro	The community plans for Boronda and Castroville have been prepared and environmental reviews are currently underway. The Specific Plans and environmental review for Rancho San Juan and for East Garrison are completed.

HOUSING PROGRAM NUMBER	HOUSING PROGRAM NAME	TIME FRAME	COMMUNITY AREAS AND AFFORDABLE HOUSING OVERLAYS	OBJECTIVES ACHIEVED 2004-2005
Goal H3 NEW HOUSING WITHIN COMMUNITY AREAS AND AFFORDABLE HOUSING OVERLAYS				
H-3.b	Zoning Ordinance and Permit Modifications	2003-2004	Simplify permit process procedures	The Housing and Redevelopment Office continues to provide permit processing assistance for affordable housing projects to help streamline the process.
H-3.c	Mixed Use Development	2003-2004	Revise Zoning Ordinance and amend General Plan to include minimum densities, new zone classifications, permit revisions and average densities	The draft community/specific plans contain new General Plan and Zoning designations to require minimum densities, specific unit types, and mixed use areas. Rezonings will occur in 2006. The draft community/specific plans include new mixed-use designations combining housing with commercial development. The commercial zoning designation, currently in the County Zoning Code, will be revised to allow a higher percentage of residential use for some areas, outside the community areas. This revision is scheduled to take place in 2006.

HOUSING PROGRAM NUMBER	HOUSING PROGRAM NAME	TIME FRAME	OBJECTIVES	OBJECTIVES ACHIEVED 2004-2005
COAL H-3 NEW HOUSING WITHIN COMMUNITY AREAS AND AFFORDABLE HOUSING PRIORITIES				
H-3.d	Infrastructure Coordination and Development	2002-2008	Seek funding and support infrastructure development	A CDBG grant has been obtained to upgrade the sewer system in the rural community of San Lucas. Water system improvements, also funded by the County are currently under construction. A funding strategy has been developed for the Boronda and Castroville community plans which identifies specific funding sources for infrastructure improvements. Preliminary engineering for the first phase of an intersection improvement at state highways 1 and 183, which is required for implementation of the Castroville Community Plan, is underway.
H-3.e	Annual Housing Report	2002-2008	Include information in Annual Report on housing produced, constraints and new housing programs	The County is also completing road and drainage improvements in the existing community of Boronda to support existing housing and redevelopment activities. The Annual Housing Report will be completed by the end of 2005.

HOUSING PROGRAM NUMBER	HOUSING PROGRAM NAME	TIME FRAME	OBJECTIVES	OBJECTIVES ACHIEVED 2004-2005
GOAL H-3	NEW HOUSING WITHIN COMMUNITY AREAS AND AFFORDABLE HOUSING OVERLAYS			
H-3.f	Affordable Housing Overlay	2003-2004	Develop and apply Affordable Housing Overlay	An Affordable Housing Incentive Program, which includes an overlay designation concept, has been prepared and is scheduled for adoption in early 2006.
GOAL H-4	HOUSING AFFORDABILITY AND DIVERSITY			
H-4.a	Farmworker and Agricultural Employees Housing	2003-2004	Develop housing prototypes and models	In 2005 South County Housing Corp., with assistance provided by the County, completed an affordable housing project consisting of 38 units in Boronda that includes 14 units of rental housing and 11 self-help ownership units for very-low and low-income farmworkers. CHISPA, with assistance provided by the County, is undertaking a 34-unit affordable housing project in San Lucas, a portion of which will be for low-income farmworkers. The project will be completed in 2006. The County is also in the initial process of participating in the development of a potential reconstruction project of an existing substandard farm labor camp. The rehabilitated project is anticipated to provide 75 rental units. These projects are being used to identify successful prototypical design features for this special needs group.

HOUSING PROGRAM NUMBER	HOUSING PROGRAM NAME	TIME FRAME	OBJECTIVES ACHIEVED 2004-2005
Section II - HOUSING AFFORDABILITY AND DIVERSITY			
H.4.a (Continued)		2003-2008	Work with employers and identify/pursue funding sources
H.4.b	Assistance to Homeless Households	2002-2008	55 households in new or expanded Transitional Housing Facilities

The County is currently working with several large growers who are interested in developing housing for their employees.

In 2004 the County provided assistance to the Veteran's Transition Center in the rehabilitation of 24 units to provide housing for homeless veterans. The project was completed in 2005.

The County has also provided funding to Interim, Inc. in the rehabilitation of existing buildings on the former Fort Ord to provide 28 bedrooms for very-low income homeless adults with mental disabilities. This project is also completed.

The County is currently working with the Pajaro Rescue Mission on a potential project to rehabilitate their existing homeless shelter in Pajaro.

Housing Program Number	Housing Program Name	Time Frame	Objectives Achieved 2004-2005
GOAL #4 HOUSING AFFORDABILITY AND DIVERSITY			
HI-4.c	Assistance to Elderly, Disabled and Farmworker Households	2002-2008	<p>150 Very low and low Farmworker units 50 very low and Low Elderly/Disabled Units</p> <p>The South County Housing has also started construction of a replacement housing project on Salinas Road in Pajaro. The project consists of 64 rental units with a significant portion targeted to farmworker families. As part of that project 19 temporary relocation housing units have been constructed on Redevelopment Agency owned property nearby. All 19 of the relocated families are very-low income farmworker families.</p> <p>The County is assisting the Housing Authority in the rehabilitation of the Rippling River facility which includes 79 rental units for low income elderly and disabled occupants. In 2005 the County provided assistance to a consortium of non-profit organizations to prepare prepare a report on housing for people with disabilities, their needs, and best practices for providing housing to this population.</p>

HOUSING PROGRAM NUMBER	HOUSING PROGRAM NAME	TIME FRAME	OBJECTIVES	OBJECTIVES ACHIEVED 2004-2005
Goal H-4 H-4.c (Continued)	HOUSING AFFORDABILITY AND DIVERSITY		The County is also in the process of participating in the development of a potential reconstruction project of an existing substandard farm labor camp. The rehabilitated project is anticipated to provide 75 rental units.	
H-4.d	Affordable Housing Opportunity Center	2002-2008	Support Housing Opportunity Center	In 2003 the County provided funding for the start-up costs associated with opening the Center. In 2004 the County provided an additional \$75,000 grant to fund Inclusionary Homebuyer Educational services to be provided by the Center. The County assisted in developing educational materials and participated in orientation classes with Opportunity Center Staff.
H-4.e	First Time Homebuyers	2003	Update County's website and develop written marketing materials	Competed.
H-4.f	Federal Housing Subsidies	2002-2008	8-10 First Time Homebuyers assisted annually	26 households were assisted in 2004 and 2005 to date. Funds have been reserved to assist 20 households to purchase new units in the CHISPA project located in San Lucas.
				The County Board of Supervisors continues to support preservation of the Section 8 subsidy program.

HOUSING PROGRAM NUMBER	HOUSING PROGRAM NAME	TIME FRAME	OBJECTIVES	OBJECTIVES ACHIEVED 2004-2005
COAL H-4 HOUSING AFFORDABILITY AND DIVERSITY				
H-4.g	Expedited Review Process	2002-2003	Implement revised streamlining procedures for permit and environmental review	The County has been facilitating permit processing assistance for affordable housing projects since 2003 by providing an experienced project manager to coordinate with the other County departments and streamline the process. In addition, the County has prepared an Affordable Housing Incentive Program that will formalize the provision of permit processing assistance along with other incentives for qualified affordable housing projects. This program is scheduled for adoption in early 2006.
H-4.h	Inclusionary Housing	2002-2008	Continue to implement Inclusionary Housing Ordinance	The County continues to monitor Inclusionary Units on an annual basis and has prepared and is using new agreement forms and other documents.
H-4.i	Secondary Dwellings Program	2003-2004 2002-2008	Prepare Community/Specific Plans with standards for Secondary Units Implement Secondary Unit Program	The community/specific plans for Boronda, Castroville, Rancho San Juan and East Garrison that have been prepared all contain provisions for allowing and encouraging secondary units in some residential classifications. A second unit ordinance has been drafted by the County and is under review.

HOUSING PROGRAM NUMBER	HOUSING PROGRAM NAME	TIME FRAME	OBJECTIVES	OBJECTIVES ACHIEVED 2004-2005
GOAL H-4	HOUSING AFFORDABILITY AND DIVERSITY			
H-4.j	Density Bonus Program	2003-2004	Develop a Density Bonus Ordinance	Density bonus provisions have been included in the draft Affordable Housing Incentive Program. That program is scheduled to be considered for approval in early 2006.
GOAL H-5	EMPLOYEE ASSISTANCE AND WORKFORCE HOUSING			
H-5.a	Housing Trust Fund	2004	Evaluate Feasibility of establishing a Housing Trust Fund	During 2004, the Fort Ord Reuse Authority (FORA), in conjunction with a multi-agency task force, prepared a model Housing Trust Fund program to be used on a Countywide basis. In 2005, a non-profit organization was established and funding sources identified. The County has been participating in the development of this program.
H-5.b	Employee Housing Assistance	2002-2003	Develop employee housing models and prototypes	In 2003 and 2004 the County designated several proposed projects as "pilot" projects to "test" the Affordable Housing Incentive Program. One of these projects includes a significant component of employee housing. That project is scheduled to be considered for a proposal in early 2006.
		2003-2008	Implement recommendations	See above.
H-5.c	Developer Housing Incentives Program	2002-2003	Design Incentives Program	The County has prepared an Affordable Housing Incentive Program. The Program is currently being reviewed and is scheduled to be considered for adoption in early 2006.

HOUSING PROGRAM NUMBER	HOUSING PROGRAM NAME	TIME FRAME	OBJECTIVES	OBJECTIVES ACHIEVED 2004-2005
Coal H-6	REGIONAL HOUSING ALLOCATION			
H-6.a	Adequate Sites	End of 2004	Community/Specific Plans adopted and rezoning/land use designations approved for Rancho San Juan, Fort Ord, Castroville, Pajaro and Boronda. Amend General Plan as necessary to ensure consistency and Initiate and complete zoning changes.	Community/Specific Plans have been completed for Boronda, Castroville, Rancho San Juan, and East Garrison (Fort Ord). EIRs have been completed for Rancho San Juan and East Garrison and are under preparation for Boronda and Castroville. The Community/Specific Plans will be considered for adoption into the County's General Plan in 2006.
H-6.a (Continued)	Adequate Sites	2003-2008	Ensure that there is adequate land at appropriate densities to meet the RFINA need of: <i>Very Low - 821 Units Low - 608 Units Moderate - 937 Units Above Moderate - 145 Units</i>	The community/specific plans described above are intended to provide a significant portion of the adequate land required to meet the RFNA.

HOUSING PROGRAM NUMBER	HOUSING PROGRAM NAME	TIME FRAME	OBJECTIVES	OBJECTIVES ACHIEVED
Code H-6 REGIONAL HOUSING ALLOCATION				
H-6.b	Housing Production Goals and Monitoring Land Supply	2002-2008	Include updates in the Annual Housing Report on the availability of land and number of housing units produced.	The Annual Housing Report will be completed by the end of the year and will include housing production up dates and a status on the availability of residential land.
H-6.c	Adequate Infrastructure to Meet Regional Housing Needs	2002-2008	Provide water and sewer providers in the County with a copy of the adopted Housing Element. Water and sewer providers must grant a priority for allocations to developments which meet RHNA.	In January 2004 copies of the adopted Housing Element were sent to all water and sewer providers.
H-6.d	General Plan Consistency	2002-2008	Ensure consistency in General Plan	The draft General Plan Update prepared in 2003 is being re-drafted. Consistency with the adopted Housing Element will be evaluated as part of the General Plan Update adoption process.

HOUSING PROGRAM NUMBER	HOUSING PROGRAM NAME	TIME FRAME	OBJECTIVES	OBJECTIVES ACHIEVED 2004-2005
GOAL H-7 EQUAL OPPORTUNITY AND ACCESSIBILITY IN HOUSING				
H-7.a	Fair Housing	Late 2003	Update County's website and develop written marketing materials	The County's Website has been updated to include relevant housing documents and information. Marketing materials for the County's Rehabilitation and First Time Home Buyer Programs have been developed.
H-7.a	Fair Housing	2003-2008	Continue Marketing efforts	The County has continued to support fair housing programs and organizations. In addition, the County has prepared a Fair Housing and Equal Opportunity Procedural Manual.
H-7.b	Non-Profit Housing Programs	Late 2003 2003-2008	Update County's website and develop written marketing materials Continue Marketing efforts	Not Complete, but inquiries are directed to appropriate non-profits. The County has continued to support fair housing programs and organizations. In addition "Housing Plus Services" is included as part of the County's Rehabilitation program which provides referrals to social services, legal aid and financial services as appropriate.

HOUSING PROGRAM NUMBER	HOUSING PROGRAM NAME	TIME FRAME	OBJECTIVES	OBJECTIVES ACHIEVED
				2004-2005
Goal H-7	EQUAL OPPORTUNITY AND ACCESSIBILITY IN HOUSING			
H-7.c	Disabled Households: Remove Constraints and Encourage Accessible Housing	Winter 2003	Develop and adopt a Reasonable Accommodation Ordinance	<p>Not complete. The Housing and Redevelopment Office will work with the Planning and Building Inspection Department to prepare a draft ordinance in 2006. The existing Rehabilitation program includes funding for improvements to remove constraints and provide access for disabled households.</p> <p>The County has designated two projects as a “pilot projects” for the development of the Incentive Program. South County Housing Corp. is constructing a 64-unit project on Salinas Road in Pajaro, The project includes a significant number of 3 and 4 bedroom rental units for very low and low-income families, many of which have a large household size.</p>
H-7.d	Overcrowded Households: Encourage Production of Larger Sized Units, Especially Rental Units	Winter 2003	Evaluate whether to include a percentage requirement for larger-sized rental units in developments that benefit from the Affordable Housing Incentive Program	<p>The second project is a private development project which includes 48 rental units, which are two and three bedrooms and will be affordable to very low, low and moderate income households. The Incentive Program has been prepared and is being reviewed by County Departments and for-profit and non-profit developers.</p>

HOUSING PROGRAM NUMBER	HOUSING PROGRAM NAME	TIME FRAME	OBJECTIVES	OBJECTIVES ACHIEVED 2004-2005
Goal H-7	EQUITY OPPORTUNITY AND ACCESSIBILITY IN HOUSING			
H-7.d Cont'd.		2003-2008	Support production of larger-sized rental units	The County is currently providing assistance to South County Housing Corp. for the Salinas Road Project to reconstruct 64 housing units in Pajaro for very low and low-income families. The project has been designed to accommodate the current tenants of the development, which includes a high percentage of large families.
				The County is also assisting Mid-Peninsula Housing Coalition in the development of a rental housing project in downtown Castroville. The project is anticipated to include approximately 50 two and three bedroom units.
GOAL H-8	NEW HOUSING WITHIN AND ADJACENT TO CITIES			
H-8.a	County/City Coordination of Housing Production	2002-2008	County will work with cities and LAFCO to develop agreements for logical, orderly urban growth; revenue neutrality, balanced economic development and development of affordable housing.	The County is currently in the process of re-drafting the General Plan Update that was prepared in 2003. As part of that effort, discussions with cities will be undertaken with the objective of creating orderly urban growth throughout the County.